

UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

In re	Bk. No. 00-4667(RTL)
Montgomery Ward, LLC, et al.,	Chapter 11
Debtor,	
Montgomery Ward, LLC, et al., Debtor in Possession,	Adv No. 02-9282
Plaintiff,	
vs.	
Otc International, Ltd.,	
Defendant.	

**COMPLAINT TO AVOID AND RECOVER
TRANSFERS OF PROPERTY [11 U.S.C. §§547-550]**

Plaintiff, Montgomery Ward, LLC, et al., Debtor in Possession (hereinafter referred to as "Plaintiff" or "Ward"), alleges as follows:

JURISDICTIONAL ALLEGATIONS

1. This adversary proceeding arises out of and is related to the above-captioned case pending before this United States Bankruptcy Court; therefore, this court has jurisdiction pursuant to 28 U.S.C. §§157 and 1334. The causes of action set forth herein concern the determination, allowance and amount of claims pursuant to 11 U.S.C. §§547, 549 and 550, and, as such, constitute a "core" proceeding under 28 U.S.C. §157(b)(2).

2. Venue is based on 28 U.S.C. §§1408 and 1409.

3. This bankruptcy case was commenced by the filing on December 28, 2000 of a petition under Chapter 11 of title 11 of the United States Code ("Petition Date"). Montgomery Ward, LLC, et al. is the Debtor in Possession and is authorized to commence suit on behalf of the estate.

4. Plaintiff is informed and believes, and on that basis alleges, that Otc International, Ltd. ("Defendant") is a corporation organized under the laws of the state of New York.

FIRST CLAIM FOR RELIEF
(TO AVOID PREFERENTIAL TRANSFERS PURSUANT TO 11 U.S.C. §547)

5. On or within 90 days before the Petition Date that is, between September 29, 2000 and

December 28, 2000 (the "Preference Period"), Montgomery Ward, LLC, et al. ("Debtor") made one or more transfers by check, wire transfer, or its equivalent, of an interest of the Debtor in property in an aggregate amount not less than \$2,395,936.60 (hereinafter collectively referred to as the "Transfers") directly to or for the benefit of the Defendant herein. Attached hereto as Exhibit "A" and incorporated herein by this reference is a list of the check transfers presently included in the Transfers total.

6. Defendant was a creditor of the Debtor at the time of the Transfers within the meaning of 11 U.S.C. §101(10)(A). At the time of the Transfers Defendant had a right to payment on account of an obligation owed to Defendant by the Debtor.

7. The Transfers were to or for the benefit of a creditor within the meaning of 11 U.S.C. §547(b)(1) because the Transfers either reduced or fully satisfied a debt then owed by the Debtor to Defendant.

8. The Transfers were made on account of an antecedent debt because the Transfers were on account of a debt obligation for which the Debtor was legally bound to pay before the Transfers were made.

9. The Debtor was insolvent throughout the Preference Period within the meaning of the Bankruptcy Code, in that the sum of its debts was greater than the fair value of its assets, 11 U.S.C. §101(32)(A), 11 U.S.C. §547(b)(3).

10. By reason of the Transfers, Defendant received more on account of its debt than if Debtor's case were under Chapter 7 of the Bankruptcy Code, the Transfers had not been made, and Defendant received payment of such debt to the extent provided by the provisions of the Bankruptcy Code.

SECOND CLAIM FOR RELIEF
(TO RECOVER AVOIDED TRANSFERS AGAINST DEFENDANT
FOR THE BENEFIT OF THE ESTATE UNDER 11 U.S.C. §550)

11. Plaintiff incorporates each and every allegation contained in paragraphs 1 through 10 inclusive, as if fully set forth herein.

12. The Transfers, to the extent that they are avoided pursuant to 11 U.S.C. §547, may be recovered by Plaintiff pursuant to 11 U.S.C. §550(a)(1).

RELIEF REQUESTED

WHEREFORE, Plaintiff prays that this Court enter judgment as follows:



FINANCIAL

Insolvency Financial & Collection Legal Services

18653 Ventura Blvd., # 361

Tarzana, CA 91356

PHONE: 818 609-9268

FAX: 818 609-9686

4040 Nicols Road

Eagan, MN 55122

PHONE: 651 406-9665

FAX: 651 406-9676

Los Angeles

Minneapolis

New York

CHECK REGISTER
TRANSFERS DURING PREFERENCE PERIOD

Defendant: **Otc International, Ltd.**
Bankruptcy Case: Montgomery Ward, LLC, et al. / 00-4667(RTL)
Preference Period: September 29, 2000 - December 28, 2000
Adversary Number: 02-9282

Check No.	Check Date	Clear Date	Check Amount
448840	November 8, 2000	November 11, 2000	\$12,358.77
536484	September 25, 2000	October 2, 2000	\$117,695.70
537243	October 2, 2000	October 11, 2000	\$40,336.44
538066	October 9, 2000	October 24, 2000	\$102,914.84
538481	October 16, 2000	October 24, 2000	\$46,779.99
539321	October 23, 2000	October 30, 2000	\$67,043.93
539869	October 30, 2000	November 8, 2000	\$207,114.36
541031	November 13, 2000	November 20, 2000	\$865,371.67
541619	November 20, 2000	November 28, 2000	\$411,326.66
542508	November 27, 2000	December 6, 2000	\$127,314.49
543080	December 4, 2000	December 13, 2000	\$90,495.11
543495	December 11, 2000	December 21, 2000	\$257,332.74
544526	December 18, 2000	December 26, 2000	\$49,851.90
Total Check(s): 13		Total Amount:	\$2,395,936.60

UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

In re		Case No.: 00-4667(RTL)
Montgomery Ward, LLC, et al.		
	Debtor	
Montgomery Ward, LLC, et al., Debtor in Possession		Chapter: 11
	Plaintiff	
vs.		Adv Proc. No. 02-9282
Otc International, Ltd.		
	Defendant	

**SUMMONS AND NOTICE OF STATUS CONFERENCE
IN AN ADVERSARY PROCEEDING**

YOU ARE SUMMONED and required to file a motion or answer to the complaint which is attached to this summons with the clerk of the bankruptcy court within 30 days after the date of issuance of this summons, except that the United States and its offices and agencies shall file a motion or answer to the complaint within 35 days.

Address of Clerk: 824 Market Street, 5th Floor Wilmington, DE 19801

At the same time, you must also serve a copy of the motion or answer upon the plaintiff's attorney.

Name and Address of Plaintiff's Attorney: Primary Counsel: Joseph L. Steinfeld, Jr., DC SBN 297101, MN SBN 026629 VA SBN 18666 Karen M. Scheibe, MN SBN 0300469, ND SBN 05683 A-S-K FINANCIAL 4040 Nicols Road Eagan, MN 55122 Telephone: (651) 406-9665 ext. 204 Fax: (651) 406-9676	Name and Address of Plaintiff's Attorney: Local Counsel: Donna C. Culver, DE SBN 3983 Derek C. Abbott, DE SBN 3376 1201 North Market Street P.O. Box 1347 Wilmington, DE 19899-1347 Telephone: (302) 658-9200 Fax: (302) 658-3989
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If you make a motion, your time to answer is governed by Fed. R. Bankr. P. 7012.

YOU ARE NOTIFIED that a pretrial conference of the proceeding commenced by the filing of the complaint will be held at the following time and place.

Address: 824 Market Street Wilmington, DE 19801	Room: Date and Time: To Be Determined
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IF YOU FAIL TO RESPOND TO THIS SUMMONS, YOUR FAILURE WILL BE DEEMED TO BE YOUR CONSENT TO ENTRY OF A JUDGMENT BY THE BANKRUPTCY COURT AND JUDGMENT BY DEFAULT MAY BE TAKEN AGAINST YOU FOR THE RELIEF DEMANDED IN THE COMPLAINT.



United States Bankruptcy
Court for the District of
Delaware

/s/ David D. Bird
Clerk of the Bankruptcy Court

Date: September 25, 2002